

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

\* \* \* \* \*

In the Matter of:

THE JOINT APPLICATION OF B & E SANITATION )  
SERVICE, INC., TO ACQUIRE AND OPERATE )  
AUDUBON ENTERPRISES, INC., SEWER COLLEC- )  
TION SYSTEM, THOROBRED EAST SUBDIVISION, )  
OWENSBORO, DAVIESS COUNTY, KENTUCKY, AND ) CASE NO. 9013  
FOR ISSUANCE OF A CERTIFICATE OF CONVEN- )  
IENCE AND NECESSITY TO CONSTRUCT A PUMP )  
STATION AND FORCE MAIN LINE TO CONNECT )  
SAID SYSTEMS )

O R D E R

B & E Sanitation Service, Inc., ("B & E") filed an application on March 19, 1984, for approval to acquire and operate the sewage collection system currently owned and operated by Audubon Enterprises, Inc., ("Audubon") and for approval of a certificate of public convenience and necessity to construct a pump station and force main. A purchase agreement was signed March 17, 1984, subject to approval by the Commission, wherein B & E agreed to purchase the sewage collection system of Audubon which serves the Thorobred East Subdivision.

Plans and specifications for the proposed improvements as prepared by Rondal E. Baird, P. E., ("Engineer") have been approved by the Division of Water of the Natural Resources and Environmental Protection Cabinet.

A hearing was held in the offices of the Public Service Commission, Frankfort, Kentucky, on May 18, 1984. There were no intervenors and no protests were entered.

### FINDINGS AND ORDERS

The Commission, after consideration of the application and evidence of record and being advised, is of the opinion and finds that:

1. Audubon desires to sell its sewage treatment system to B & E and B & E desires to purchase the system from Audubon.

2. Public convenience and necessity require that the construction proposed in the application and record be performed and that a certificate of public convenience and necessity be granted.

3. The proposed construction includes a sewage pump station and approximately 11,200 linear feet of 10-inch force main. The construction is estimated to cost \$135,000, of which \$62,500 will be contributed by Thompson Homes, Inc., \$40,000 will be contributed by Eastgate Development Company, with the balance of \$32,500 financed by B & E.

4. Any deviations from the construction drawings and specifications reviewed and herein approved by the Commission which could adversely affect service to any customer should be subject to the prior approval of this Commission.

5. Those facilities funded by Thompson Homes, Inc., and Eastgate Development Company should be accounted for by B & E as contributed property and should be afforded rate-making treatment as such by the Commission in future cases.

6. The transfer should be accounted for in accordance with the utility plant instructions and other requirements of the Uniform System of Accounts for Sewer Utilities prescribed by this Commission.

7. B & E should file with the Commission duly verified documentation which shows the total costs of construction and all other capitalized costs (engineering, legal, administrative, etc.) within 60 days of the date that construction is substantially completed. Said construction costs shall be classified into appropriate plant accounts in accordance with the Uniform System of Accounts for Sewer Utilities prescribed by this Commission.

8. B & E's contract with its Engineer should require the provision of construction inspection under the general supervision of a professional engineer with a Kentucky registration in civil or mechanical engineering. The supervision and inspection should insure that the construction work is done in accordance with the contract plans and specifications and in conformance with the best practices of the construction trades involved in the project.

9. B & E should require the Engineer to furnish a copy of the record plans and a signed statement that the construction has been satisfactorily completed in accordance with the contract plans and specifications within 60 days of the date of substantial completion of this construction.

10. B & E should file with the Commission a copy of all contractual agreements for the provision of services or the purchase of services which are subject to the approval of this Commission.

IT IS THEREFORE ORDERED that the acquisition and transfer of the sewage collection system currently owned by Audubon by and to B & E be and it hereby is approved.

IT IS FURTHER ORDERED that B & E be and it hereby is granted a certificate of public convenience and necessity to proceed with the expansion and improvement projects set forth in the drawings and specifications of record hereby approved.

IT IS FURTHER ORDERED that B & E shall comply with all matters set out in Findings 4 through 10 as if the same were individually so Ordered.

Nothing contained herein shall be deemed a warranty of the Commonwealth of Kentucky, or any agency thereof, of the financing herein authorized.

Done at Frankfort, Kentucky, this 29th day of August, 1984.

PUBLIC SERVICE COMMISSION

Richard D. Hornum Jr.  
Chairman

Ralph H. Isgrig Jr.  
Vice Chairman

Ernest Shurt  
Commissioner

ATTEST:

\_\_\_\_\_  
Secretary